

MAYOR'S NEIGHBORHOOD ROUNDTABLE

for February 12th MEETING

Change of Zone #04001 Amendment to Impact Fee Ordinance

PROPOSAL: Three amendments are proposed in order to establish a system for checking income and handle the processing reimbursement of impact fees for low and moderate income owner-occupied housing.

CONCLUSION: The proposed amendments to impact fee ordinance are in conformance with the goals of the Comprehensive Plan. The amendments will aid in the processing of low and moderate income fee reimbursements.

RECOMMENDATION:

Approval

LEGAL DESCRIPTION:

Amendments to the Zoning Code Chapter 27.82 on Impact Fees – to change the following:

- A. Section 27.82.040 to revise the definition of Low to Moderate Income Owner-Occupied Housing;
- B. Section 27.82.040 to delete the definitions of "Income Area, Low" and "Income Area, Moderate", to add a new definition for "Low-to-Moderate-Income Area", and to clarify the definition of "Low-Income Rental Housing";
- C. Section 27.82.060 to add eligibility criteria for Low to Moderate Income Owner-Occupied Housing exemptions from Impact Fees; and
- D. Section 27.82.080 to modify the provisions regarding approval of Owner-Occupied Low to Moderate Income Housing exemption and reimbursement of impact fees paid;

COMPREHENSIVE PLAN SPECIFICATIONS:

These proposals are in conformance with the new 2025 Comprehensive Plan. Selected pertinent sections from the Plan include:

Guiding Principles for Financing Urban Infrastructure

A Balanced Approach: The community at large should provide more financing of maintenance and improvements in existing areas. Both new and existing development should pay its fair share of improvement costs due to growth and maintenance. In general, improvements which are of general benefit to the whole

community should be paid by the community while improvements which are of special benefit to a specific area should be paid by that area.

Develop a Fair & Predictable System: Distribute infrastructure costs fairly among all property owners who benefit from the improvements. The goal of the financing system is that costs should be known in advance of development.

Minimize Impact on Affordable Housing: Infrastructure financing should not increase the cost of affordable housing in Lincoln and the City should encourage retention of affordable new housing in existing neighborhoods. (Pages F 160 -161)

Establish an impact fee at time of building permit for road improvement costs in developing areas. Fees should not be at full capital recovery cost for residential uses. Large traffic generators, like commercial and industrial businesses, will pay a majority of the costs due to their traffic impact. Some mechanism should be employed so that the road impact fee does not impact affordable housing." (Page F 162)

ANALYSIS:

1. At the time the impact fee ordinance was adopted in January 2003, it was noted that as the impact fee system was implemented, there may be some housekeeping matters to bring forward at a later date.
2. In December 2003 the City Council approved Change of Zone #3399 which included several minor modifications to the Impact Fee ordinance, including one change to the processing of low and moderate income housing reimbursements. At the time of public hearing before the Planning Commission in October 2003, the Realtor's Association proposed a few improvements to the processing. These changes have been reviewed and worked out over the past few months.
3. The proposed amendments in this change of zone were reviewed by the Realtor's Association of Lincoln, Home Builders Association of Lincoln, Neighborhoods Inc. and several others who work with low and moderate income housing. This item is scheduled to be presented to the Mayor's Neighborhood Roundtable on February 12th.
4. The change in Section 27.82.040, Definitions, is to remove the requirement that Low Income Owner Occupied housing be subject to "local, state or federal regulations." This provision was included in the original ordinance so that staff would not necessarily have to review each application to determine if the person met the income thresholds. It was thought that by being in a "local, state or federal" low income housing program that this would eliminate duplication and speed the processing time. However, this was found to not be the case. Many programs will

not share information or their income criteria vary. Thus, it was determined that the City would have to eliminate this requirement.

5. Deleting the definitions of "Income Area, Low" and "Income Area, Moderate" and replacing these with a new definition for "Low-to-Moderate-Income Area" which reflects Urban Development and HUD documentation resources used. Clarification of the definition of "Low-Income Rental Housing" which better explains the source of data used to establish the Low-to-Moderate Income Area is within the City.
6. By eliminating the participation in other programs, this meant the City will need to determine the household's income. How, this will be done is in Section 27.82.060 (6). Also, the amendment to Section 27.82.060 establishes that a person may only receive this reimbursement once in a five year period. The ordinance is also being changed to make sure the reimbursement goes to the home buyer. Thus, the five year provision was added to avoid abuse of the reimbursement, while still allowing a low income builder to apply for the reimbursement which each new home. The once in five year provision is for the buyer, not the builder.
7. The remainder of the amendments address the income provisions as well as allow for the reimbursement to be at time of closing on the house, rather than at time of occupancy.

February 4, 2004

CONTACTS:

Stephen Henrichsen
Planning Department
555 S. 10th Street
Lincoln, Ne 68508
Ph# 441-6374

Michaela Hansen
Public Works & Utilities Department
555 S. 10th Street
Lincoln, Ne 68508
Ph# 441-7559